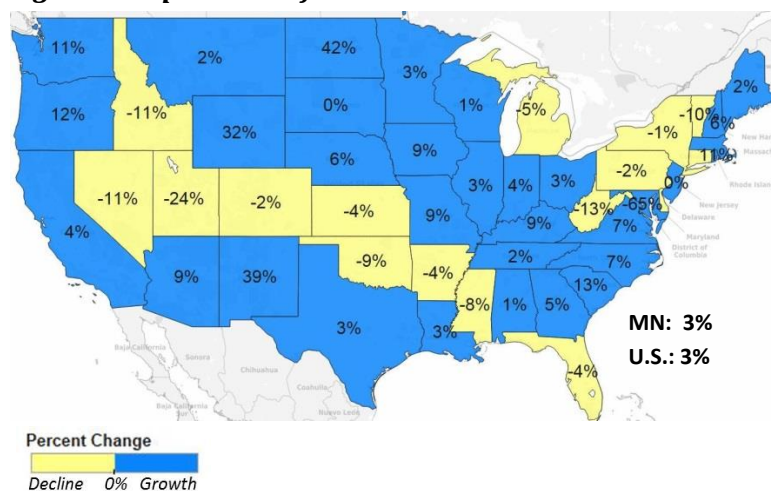


## State Exports Grow 3 Percent to Reach Record \$21.4 Billion in 2014

- Minnesota exports (including agricultural, mining and manufactured products) grew to a record \$21.4 billion in 2014, despite a modest growth rate of 2.9 percent (or, up \$600 million) between 2013 and 2014. U.S. growth was 2.8 percent.
- Minnesota exported 1,055 different detailed products (4-digit HS codes) to 207 countries in 2014, covering 86 percent of U.S. export goods and 88 percent of U.S. export markets. The state accounts for 1.3 percent of U.S. exports.
- Minnesota *manufactured* exports were valued at \$19.7 billion in 2014, up 2.2 percent since 2013. U.S. *manufactured* exports grew 1.5 percent.

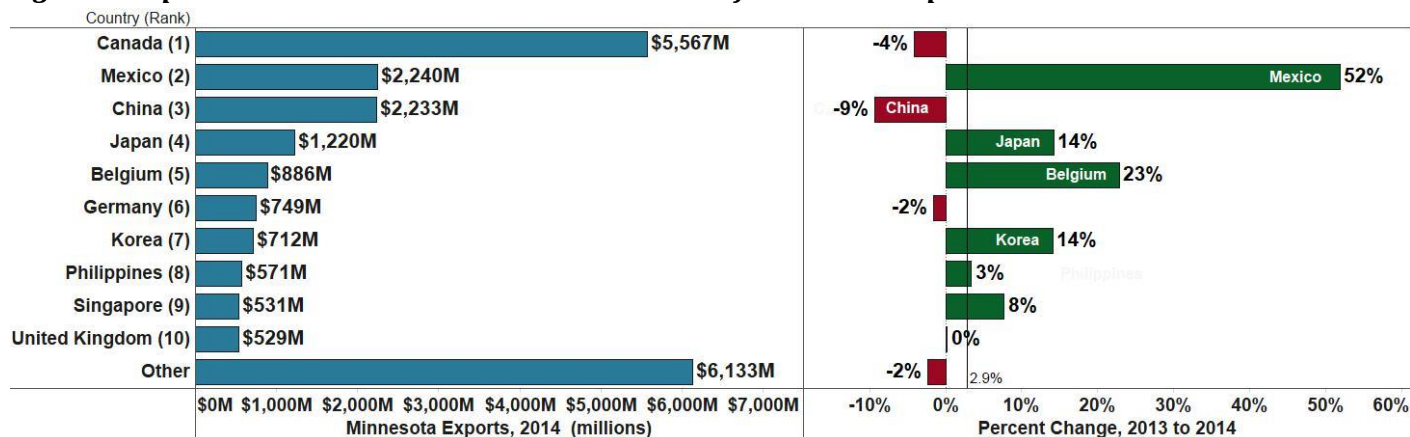
Figure 1. Export Grow for 34 States in 2014



## Mexico Jumps Ahead of China to Become Minnesota's Second-Largest Market

- Export growth to **North America** (up 7 percent to \$7.8 billion) was fueled by **Mexico**. Exports to **Mexico** exploded by 52 percent to \$2.2 billion in 2014, leading **Mexico** to become the state's second-largest market.
- Exports to **Asia** were up about 4 percent to \$6.7 billion. Strong gains in markets such as **Japan** (up 14 percent), **India** (up 70 percent) and **Korea** (up 14 percent) helped offset the drop in exports to **China** (down 9 percent).
- Sales to the **Australia-Pacific** region expanded 12 percent to \$598 million, driven by **New Zealand** (ranked 25<sup>th</sup>, up 70 percent to \$128 million), where exports of **aircraft parts** soared 220 percent to \$68 million.
- Strong growth in sales to the **United Arab Emirates** (up 17 percent to \$36 million), **Algeria** (up 341 percent to \$32 million), **Angola** (up 122 percent to \$19 million) and **Egypt** (up 36 percent to \$36 million) contributed to modest export growth in the **Middle East** (up 1 percent to \$415 million) and **Africa** (up 3 percent to \$251 million).
- Exports fell 4 percent to \$4.6 billion to **Europe**, and 6 percent to \$965 million to **Central and South America**. However, strong markets in these regions included **Belgium**, **Ireland**, **Poland**, **Costa Rica**, **Chile** and **Uruguay**.
- Major markets for which the state had an above average share of U.S. exports included the **Philippines** (6.8 percent), **Ireland** (5.3 percent), **Finland** (4.2 percent), **New Zealand** (3 percent) and **Belgium** (2.5 percent).

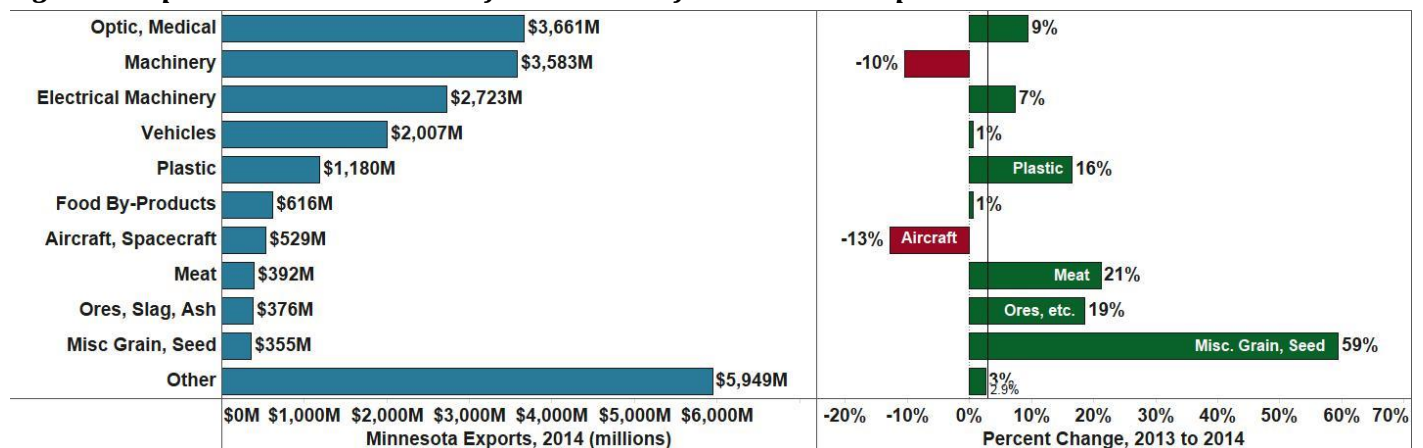
Figure 2. Exports Growth Exceeded 10 Percent to Four of the State's Top 10 Markets in 2014



## Optic/Medical Products, Electrical Machinery, Plastics and Woodpulp Lead Export Gains

- Between 2013 and 2014, **optics/medical** (up \$317 million), **electrical machinery** (up \$188 million), **plastics** (up \$167 million), **woodpulp** (up \$138 million), and **miscellaneous grains** (up \$132 million) had the largest gains.
- Optics/medical products** exports grew 9 percent to \$3.7 billion, surpassing the previous peak of \$3.5 billion in 2005. **Medical/surgical instruments**, the largest sub-product, grew 12 percent to \$1.3 billion; growth markets included **Belgium, Japan and Canada**. Exports of **optic fiber** (up 64 percent to \$383 million) and **other optical/checking instruments** (up 26 percent to \$332 million) expanded especially in **Japan, China and Korea**.
- About half the gains in exports of **electrical machinery** were due to sales of **integrated circuits** (up 18 percent to \$631 million). Demand for **integrated circuits** grew the most in the **Philippines** (the primary market) **China, Mexico and Taiwan**. Demand also grew strongly for **insulating wires/cables, electric capacitors and batteries**.
- Plastic products** were up 16 percent to \$1.2 billion in exports. Sales rose by more than 40 percent to **Mexico, Korea and Japan**, the third- to fifth-largest markets. **Plastic sheets/plates** and **boxes/crates** performed strongly.
- Miscellaneous grains** surged 59 percent to \$355 million. **Mexico** (up 261 percent to \$127 million), the new largest market, primarily drove growth. Demand rose particularly for **soybeans** and **soybean flour/meal**. **Soybeans** accounted for 69 percent of **miscellaneous grains** exports.
- Exports of **woodpulp** jumped 82 percent to \$307 million between 2013 and 2014, largely based on growth of the main product, **chemical woodpulp**. **India and Indonesia**, the top two markets, were the main growing markets.
- Meat** exports were up 21 percent to \$392 million, due to booming demand for **pork** in **Mexico, Korea and Japan**.
- Sales of **machinery**, the second-largest exported product, fell 10 percent to \$3.6 billion. Growth in **Mexico** (up 29 percent to \$374 million) and the **Philippines** (up 84 percent to \$56 million) countered the steep drop in these exports to **Canada, China, Brazil, Korea and other markets**. Strong growth in **centrifuges/filters, engine parts and transmissions** helped mitigate decreased sales of **computer and office machine parts and farm machinery**.
- Notable gains in exports of **ores/slag/ash** to **Canada and Mexico** partly offset the plunge in exports to **China**.
- Aircraft/spacecraft** fell 13 percent overall, due in part to the significant drop to the Netherlands (down 94 percent to \$9 million). Exports performed well in **Singapore** (up 96 percent \$75 million) and **New Zealand**.
- Chile** (up 345 percent), **China** (up 25 percent) and **Japan** (up 42 percent) increased their demand for **food by-products** by a combined \$70 million, offsetting most of the drop in exports to **Canada and the Philippines**.

**Figure 4. Export Growth Was Diversified Across Major Product Groups in 2014**



The *Minnesota Annual Export Statistics* and *Minnesota Quarterly Export Statistics* are the most current resources available for tracking trends in the state's exports of goods. They are prepared by the Department of Employment and Economic Development's (DEED) Economic Analysis Unit (Thu-Mai Ho-Kim, 651-259-7180) for the Minnesota Trade Office (MTO). Since 2011, the reports have primarily covered export data based on the Harmonized Tariff System (Schedule B), collected by the U.S. Department of Commerce (USDOC) and distributed by the Global Trade Information Services. Reports are available on DEED's website at "Export and Trade Statistics" (<http://mn.gov/deed/data/export-stats/>). Note: The U.S. Department of Agriculture (USDA) and the Minnesota Department of Agriculture (MDA) publish significantly different annual estimates of exports of agricultural products. Their methodology differs from the one used by the U.S. Department of Commerce. For 2013 (latest available), they estimate that Minnesota exported \$8 billion in agricultural products and was the third-largest exporter among all states.